GOVERNMENT OF INDIA
MICRO,SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:2659
ANSWERED ON:14.03.2016
Promotion of Khadi
Chaudhary Shri P.P.;Gandhi Shri Dilip Kumar Mansukhlal;Joshi Shri Chandra Prakash;Kachhadia Shri Naranbhai;Mullappally Shri Ramachandran

Will the Minister of MICRO,SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether a new Khadi and Village Industries Commission (KVIC) has been set up by the Government for the upliftment of workers and traders associated with the Khadi, if so, the details thereof;

(b) whether the Government proposes to make Khadi an international brand, if so, the details thereof including the ongoing schemes for promotion of the Khadi;

(c) the details of khadi workers in the country at present, State/UT-wise;

(d) whether the Government also proposes to increase the wages of khadi workers, if so, the details thereof; and

(e) the other measures taken by the Government to promote Khadi?

Answer

MINISTER OF STATE IN THE MINISTRY OF
MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI GIRIRAJ SINGH)

(a): Yes, Madam. Khadi and Village Industries Commission has been re-established vide Notification No.A-43013/6/2015-KVI-P dated 26th October 2015 with an objective to promote, facilitate and assist in establishment and development of Khadi and Village Industries in rural areas.

(b): Khadi is already an international brand. KVIC has been granted Deemed Export Promotion Council status since December 2006. 1018 Khadi and Village Industries (KVI) Institutions are registered as members. However, most of the exports are through merchant exporters and not directly by KVI units. 5% of the Free On Board (FOB) value or Rs.10 lakh, whichever is less, is provided as incentive for KVI units which undertake Direct Exports. In addition, KVIC encourages Khadi, Village Industries to participate in International Trade Fair/ Exhibitions by subsidizing 75% of the Air fare and 50% of stall rent to augment export of their products in general subject to maximum limit of Rs.1.25 lakh each. In case of Women entrepreneurs & institutions/ST/SC/NE States, air fare and stall rent extended to the extent of 100% subject to maximum limit of Rs.1.25 lakh each. Government in the Ministry of Micro Small & Medium Enterprises is implementing a number of schemes for the holistic development and promotion of khadi which include:

(i) Strengthening of Infrastructure of existing Weak Khadi Institutions and Assistance for Marketing Infrastructure provides for renovation of khadi sales outlets and providing assistance for strengthening of infrastructure.

(ii) Market Promotion and Development Assistance under which assistance is provided @ 30% of prime cost of cost to be shared among artisans, producing and selling institutions in the ratio of 40:20:40.

(iii) Interest Subsidy Eligibility Certification scheme for providing bank loans for khadi and polyvastra at 4% rate of interest.

(iv) Workshed Scheme for khadi artisans for providing assistance for construction of worksheds.

(v) Scheme of Fund for Regeneration of Traditional Industries (SFURTI) under which assistance for replacement of obsolete equipments, setting up common facility centres, product development, market promotion and other support is provided in clusters of traditional industries including khadi industries. Under the scheme 71 such clusters are to be set up during XII Plan period. 26 clusters have been given final approval for establishment so far.

(vi) Khadi Reforms and Development Programme (KRDP) to revitalize the khadi sector with enhanced sustainability of khadi, increased incomes and employment for spinners and weavers, increased artisans welfare and to achieve synergy with village industries is being implemented.

(c): The State/UT wise details of 11.27 lakh workers are given at Annexure-1.

(d): Market Promotion and Development Assistance aims to increase the earnings of Khadi workers. Under the scheme khadi artisans will be given market development assistance at 30% of prime cost to be shared among artisans, producing and selling institutions in the ratio of 40:20:40. The share of the artisan is enhanced from earlier 25% to 40%. This benefit will be transferred

directly in the accounts of the khadi artisans.

(e): KVIC is taking various steps to promote khadi by tying up with e-commerce portals, big malls etc. to promote khadi and increase its sale. It is making and selling new designer ready to wear clothes focused on youth like Khadi Denim, Khadi T-shirts. Trade Fairs/Exhibitions are being organized at District/State/ National level for promotion of Khadi.